

Message Text

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ACTION NEA-09

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E.O. 11652: N/A

TAGS: EIND, BG

SUBJECT: CALL ON INDUSTRIES MINISTER

1. AMBASSADOR CALLED FEBRUARY 24 ON NEW INDUSTRIES MINISTER, A.K.M. KAMARUZZAMAN. TOPICS RAISED INCLUDED INVESTMENT CLIMATE, US ASSISTANCE, NATIONALIZATION COMPENSATION, AND BDG PLANS TO IMPROVE INDUSTRIAL PERFORMANCE.

2. INVESTMENT CLIMATE. AMBASSADOR NOTED RECENT IMPROVED INVESTMENT CLIMATE, INCLUDING OPIC AGREEMENT AND BDG INDUSTRIAL INVESTMENT POLICY. MINISTER RECALLED WITH GRATITUDE THE HOSPITALITY EXTENDED DURING HIS 1973 VISIT TO US AS COMMERCE MINISTER AND HIS MEETINGS WITH US BUSINESS GROUPS. HE SAID HE HOPED LARGE US FIRMS WOULD PARTICIPATE IN JOINT VENTURES TO ADVANCE PROCESS OF INDUSTRIALIZATION OF BANGLADESH.

3. US ASSISTANCE. WHEN AMBASSADOR MADE POINT THAT AMERICAN OFFICIAL DEVELOPMENT ASSISTANCE FLOWS WOULD BE CONCENTRATED IN AGRICULTURAL SECTOR AND POPULATION

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PLANNING, WITH INDUSTRY OPEN TO PRIVATE INVESTMENT

FLAWS, MINISTER OFFERED IDEA (OFT-HEARD HERE) THAT US WAS QTE ONLY ENDQTE COUNTRY REALLLY CAPABLE OF HELPING BANGLADESH IN BIG WAY. AMBASSADOR EMPHASIZED THAT US BUT ONE OF MANY FOREIGN DONORS.

4. NATIONALIZATION COMPENSATION. IN RESPONSE QUESTION, MINISTER EMPHASIZED POINT THAT COMPENSATION MUST BE PAID TO US FIRMS WHOSE ASSETS WERE NATIONALIZED, PARTICULARLY IF ANY NEW INVESTORS WERE TO BE PERSUADED TO INVEST IN BANGLADESH. HIS VIEW WAS THAT SUCH COMPENSATION SHOULD BE PAID IN FULL, BUT OVER TIME IN LIGHT FOREIGN EXCHANGE POSITION. HE AGREED LOOK INTO STATUS OF COMPENSATION POLICY ANNOUNCEMENT (DACCA 842) AND SPECIFIC LONGSTANDING CASE OF INTERNATIONAL TANK TERMINALS OF NEW ORLEANS.

5. FUTURE INDUSTRIAL DEVELOPMENT POLICY. MINISTER SAID THAT HE CONTEMPLATED SEVERAL FUTURE STEPS TO IMPROVE INDUSTRIAL PERFORMANCE. FIRST, A FIRM LABOR POLICY WITH NO RPT NO RIGHT TO STRIKE, AND BARGAINING REMOVED FROM THE PLANT LEVEL TO THE NATIONAL LEVEL, I.E., THE JATIYO SRAMIK LEAGUE WOULD BARGAIN WITH THE BDG FOR WORKER BENEFITS. SECOND, CUT THROUGH CURRENT BUREAUCRATIC DELAYS PLAGUING PERFORMANCE OF NATIONALIZED INDUSTRIES, BY DECENTRALIZING OPERATING DECISIONS AND GIVING COMPETENT PLANT MANAGERS GREATER RESPONSIBILITY. THIRD, ENCOURAGE PRIVATE INVESTMENT.
BOSTER

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